

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Audit Profile	
Country	Vietnam
Factory Name	02008463D
IEM	Global Standards
Date(s) in Facility	July 15 - 16, 2005
PC(s)	Eddie Bauer Inc.
Number of Workers	931
Product(s)	Clothes
Production Processes	Cutting - Sewing - Assembly - Inspection - Packing

		Findings					Remediation				
FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings: Noncompliance or Indicator	Documentation (if finding was corroborated/verified through multiple sources, list all sources)	If not corroborated, explain why	Best Practice	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company follow up visit on 7/25/2005	Documentation
1. Code Awareness											
2. Forced Labor											
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise											
Employment Records	Art.43 of labor code: within of 7 days from the date of termination of the labor contract, the two parties are responsible for settling all questions relating to the rights and interests of each party.	Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	NC: Incomplete records of resigned/terminated workers: some workers left the factory without documentation of either resigning or being terminated.	Record review confirmed w MGT			It is recommended that the factory maintain records of terminated and resigned workers, including letters of termination issued to workers by the factory.	22-Aug-05	(Factory) will issue the letter of termination labor contract to all resigned workers and make records up to now. Responsible party: HR Manager/Asst. HR Manager	Factory agreed to issue letters of termination and maintain records of terminated employees. Implementation to be assessed during next factory visit.	On-going
3. Child Labor											
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.											
4. Harassment or Abuse											
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.											
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices	NC: no training in disciplinary practices provided to managers & supervisors.	No documentation. Confirmed with HR mgr interview.			Training should be provided to workers and supervisors in appropriate disciplinary practices.	30-Sep-05	All supervisors and workers disciplinary policies are mentioned clearly on the records given at the orientation. The disciplinary policies are mentioned in Factory Regulation under Chapter 9. But we will start further training on the disciplinary procedures. Responsible party: HK Manager/Asst. HR Manager	The factory currently informs workers and supervisors of its disciplinary policies and procedures during the new hire orientation, and has committed to conducting additional training.	On-going
5. Nondiscrimination											
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.											
6. Health and Safety											
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities											
Fire Safety Health and Safety legal compliance		Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	NC: Fire inspection from December 2004 noted 5 areas for improvement. Factory has addressed 4 out of 5, but lacks action plan to address one point outstanding (lightning protection).	Record review. Confirmed by Mgt.			Factory needs to take concrete steps to address the outstanding issue of lightning protection, pending from the fire inspection in Dec 2004.	15-Oct-05	We will call the suppliers who supply these kind of security devices and implement a Lightning protection system. Responsible party: Maintenance Manager/Compliance Officer	Factory has developed a plan of action and assigned responsibility to implement a lightning protection system.	Pending
Chemical Management	Decree No. 168/2005/ND-CP dated May 20, 2005	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	NC: Acetone found present in the chemical store without MSDS or appropriate warning labels.	Visual inspection			MSDS should be obtained in the local language and posted in all areas where the chemical is used and stored. Employees should be trained in the MSDS to manage the chemical safely.		(Factory) will post Acetone MSDS and make label for the chemical container with immediate effect. Responsible party: Maintenance Manager/Compliance Officer.	Factory has posted MSDS and labeled the chemical container appropriately.	Completed
Sanitation in Dining Area	Decision 4128/2001/QĐ-BYT dated October 3, 2001 issuing the regulation on food safety conditions at collective refectories & eat-in kitchens as well as ready-made food ration processing business establishments	All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.	NC: Canteen supplier lacks certificate of meeting hygiene standards; canteen area is not kept clean and hygienic.	Visual inspection, Records review, Confirmed with Management.			Canteen area should be maintained in a clean and hygienic manner. The canteen supplier should obtain the hygiene certificate as per local regulation.		(Factory) will arrange one staff to check the canteen everyday with check list to make sure the cleanliness. (Factory) requested the canteen service provider, to get the business license specifically to provide the service in the factory. At the moment they hold a certificate to provide this kind of service in general, but not specific to service a factory. Responsible party: Compliance officer, Asst. HR Manager	Factory has committed that the canteen will obtain a business license by December 30, 2005 (noting that it takes about 4 months for the application to be processed).	Pending

		Findings					Remediation				
FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings: Noncompliance or Indicator	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	If not corroborated, explain why	Best Practice	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company follow up visit on 7/25/2005	Documentation
7. Freedom of Association and Collective Bargaining											
Employers will recognize and respect the right of employees to freedom of association and collective bargaining											
8. Wages and Benefits											
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits											
Other: Legal Compliance	Article 57 of VNM labor code, Art.5 of Decree 114/2002/ND-CP and Circular 13/2003/TT-BLDTBXH: Enterprises shall have to formulate their own wage scales and payrolls, technical criteria and grades of workers, titles and professional qualifications of employees, for use as a basis for signing labor contracts and collective labor agreements, determining the wage funds, paying wages and setting other regimes for laborers.		NC: Factory has not set up salary scale & table as required by Article 57 of the Labor Law and Decree No. 114/2002/ND-CP and Circular No. 14/2003/TT-BLDTBXH	Records review; management interview			The factory should conduct its human resources management in accordance with local laws.		According to the Vietnamese law, following a salary scale is not a requirement for Foreign Investment and JV holdings. And we understand that this is a good step forward and we worked out a salary scale. We are planning to send to the authorities for the approval. Responsible Party: HR Manager/Asst. HR Manager	Factory will send Eddie Bauer a copy of the salary scale once it has been approved. Implementation will be assessed during next factory visit.	Pending
9. Hours of Work											
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period											
Overtime Limitations	Labor Code, Article 72: In every week, each employee shall be entitled to a break of at least one day (twenty four consecutive hours).	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	NC: Some staff in Sample room/cutting section worked 2 Sundays in June without compensating day off.	Worker interview & records review			As per Eddie Bauer's Code of Conduct and local law, all workers are entitled to a weekly day of rest.		All workers are usually given an alternative day off despite being paid 200% for Sunday work. That is the general requirement, and this may change with the buyer's compliance requirement. Anyway we will make sure to give the day off within the week following a Sunday But this is not a requirement of the Vietnamese law. Responsible Party: Production Manager, HR Manager	Factory has agreed to provide a compensatory day off to ensure that workers receive a day of rest in every 7-day period. Implementation will be assessed during next factory visit.	On-going
10. Overtime Compensation											
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.											
Miscellaneous											